



General Assembly

February Session, 2004

Raised Bill No. 5475

LCO No. 1827

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Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

***AN ACT CONCERNING THE SITUS OF MOTOR VEHICLES FOR
PROPERTY TAX PURPOSES.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsection (b) of section 12-41 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (b) No person required by law to file an annual declaration of
5 personal property shall include in such declaration motor vehicles
6 which are registered in the office of the state Commissioner of Motor
7 Vehicles. With respect to any vehicle subject to taxation in a town other
8 than the town in which such vehicle is registered, pursuant to section
9 12-71, as amended by this act, information concerning such vehicle
10 may be included in a declaration filed pursuant to this section or
11 section 12-43, or on a report filed pursuant to section 12-57a.

12 Sec. 2. Section 12-71 of the general statutes is repealed and the
13 following is substituted in lieu thereof (*Effective from passage*):

14 (a) All goods, chattels and effects or any interest therein, including

15 any interest in a leasehold improvement classified as other than real
16 property, belonging to any person who is a resident in this state, shall
17 be listed for purposes of property tax in the town where such person
18 resides, subject to the provisions of sections [12-42] 12-41, as amended
19 by this act, 12-43 and 12-59. Any such property belonging to any
20 nonresident shall be listed for purposes of property tax as provided in
21 section 12-43. Motor vehicles and snowmobiles shall be listed for
22 purposes of the property tax in accordance with subsection (f) of this
23 section.

24 (b) [All] Except as otherwise provided by the general statutes,
25 property subject to this section shall be valued at the same percentage
26 of its then actual valuation as the assessors have determined with
27 respect to the listing of real estate for the same year, except that any
28 motor vehicle for which number plates have been issued under section
29 14-20 [and any aircraft manufactured prior to January 1, 1946,] shall be
30 assessed at a value of not more than five hundred dollars. [except
31 when otherwise provided by law.] The provisions of this section shall
32 not include money or property actually invested in merchandise or
33 manufacturing carried on out of this state or machinery or equipment
34 which would be eligible for exemption under subdivision (72) of
35 section 12-81, as amended, once installed and which cannot begin or
36 which has not begun manufacturing, processing or fabricating; or
37 which is being used for research and development, including
38 experimental or laboratory research and development, design or
39 engineering directly related to manufacturing or being used for the
40 significant servicing, overhauling or rebuilding of machinery and
41 equipment for industrial use or the significant overhauling or
42 rebuilding of other products on a factory basis or being used for
43 measuring or testing or metal finishing or in the production of motion
44 pictures, video and sound recordings.

45 (c) Upon payment of the property tax assessed with respect to any
46 property referred to in this section, owned by a resident or nonresident
47 of this state, which is currently used or intended for use in relation to

48 construction, building, grading, paving or similar projects, including,
49 but not limited to, motor vehicles, bulldozers, tractors and any
50 trailer-type vehicle, excluding any such equipment weighing less than
51 five hundred pounds, and excluding any motor vehicle subject to
52 registration pursuant to chapter 246 or exempt from such registration
53 by section 14-34, the town in which such equipment is taxed shall
54 issue, at the time of such payment, for display on a conspicuous
55 surface of each such item of equipment for which such tax has been
56 paid, a validation decal or sticker, identifiable as to the year of issue,
57 which will be presumptive evidence that such tax has been paid in the
58 appropriate town of the state.

59 (d) (1) Personal property subject to taxation under this chapter shall
60 not include computer software, except when the cost thereof is
61 included, without being separately stated, in the cost of computer
62 hardware. "Computer software" shall include any program or routine
63 used to cause a computer to perform a specific task or set of tasks,
64 including without limitation, operational and applicational programs
65 and all documentation related thereto.

66 (2) The provisions of subdivision (1) of this subsection shall be
67 applicable (A) to the assessment year commencing October 1, 1988,
68 and each assessment year thereafter, and (B) to any assessment of
69 computer software made after September 30, 1988, for any assessment
70 year commencing before October 1, 1988.

71 (3) Nothing contained in this subsection shall create any implication
72 related to liability for property tax with respect to computer software
73 prior to July 1, 1989.

74 (4) A certificate of correction in accordance with section 12-57 shall
75 not be issued with respect to any property described in subdivision (1)
76 of this subsection for any assessment year commencing prior to
77 October 1, 1989.

78 (e) For assessment years commencing on or after October 1, 1992,

79 each municipality shall exempt aircraft, as defined in section 15-34,
80 from the provisions of this chapter.

81 (f) (1) Property subject to taxation under this chapter shall include
82 each registered and unregistered motor vehicle and snowmobile that,
83 in the normal course of operation, most frequently leaves from and
84 returns to or remains in a town in this state, and any other motor
85 vehicle or snowmobile located in a town in this state, which motor
86 vehicle or snowmobile is not used or is not capable of being used.

87 (2) Any motor vehicle or snowmobile registered in this state subject
88 to taxation in accordance with the provisions of this subsection shall be
89 set in the list of the town where such vehicle in the normal course of
90 operation most frequently leaves from and returns to or in which it
91 remains. It shall be presumed that any such motor vehicle or
92 snowmobile most frequently leaves from and returns to or remains in
93 the town in which the owner of such vehicle resides, unless a provision
94 of this subsection otherwise expressly provides. As used in this
95 subsection, "the town in which the owner of such vehicle resides"
96 means the town in this state where (A) an individual has established a
97 legal residence consisting of a true, fixed and permanent home to
98 which such individual intends to return after any absence, or (B) a
99 company, corporation, limited liability company, partnership, firm or
100 any other type of public or private organization, association or society
101 has an established site for conducting the purposes for which it was
102 created. In the event such an entity resides in more than one town in
103 this state, it shall be subject to taxation by each such town with respect
104 to any registered or unregistered motor vehicle or snowmobile that
105 most frequently leaves from and returns to or remains in such town.

106 (3) Any motor vehicle owned by a nonresident of this state shall be
107 set in the list of the town where such vehicle in the normal course of
108 operation most frequently leaves from and returns to or in which it
109 remains. If such vehicle in the normal course of operation most
110 frequently leaves from and returns to or remains in more than one

111 town, it shall be set in the list of the town in which such vehicle is
112 located for the three or more months preceding the assessment day in
113 any year, except that, if such vehicle is located in more than one town
114 for three or more months preceding the assessment day in any year, it
115 shall be set in the list of the town where it is located for the three
116 months or more in such year nearest to such assessment day. In the
117 event a motor vehicle owned by a nonresident is not located in any
118 town for three or more of the months preceding the assessment day in
119 any year, such vehicle shall be set in the list of the town where such
120 vehicle is located on such assessment day.

121 (4) Notwithstanding any provision of subdivision (2) of this
122 subsection: (A) Any registered motor vehicle that is assigned to an
123 employee of the owner of such vehicle for the exclusive use of such
124 employee and which, in the normal course of operation most
125 frequently leaves from and returns to or remains in such employee's
126 town of residence, shall be set in the list of the town where such
127 employee resides, (B) any registered motor vehicle that is being
128 operated, pursuant to a lease, by a person other than the owner of such
129 vehicle, or such owner's employee, shall be set in the list of the town
130 where the person who is operating such vehicle pursuant to said lease
131 resides; (C) any registered motor vehicle designed or used for
132 recreational purposes, including, but not limited to, a camp trailer,
133 camper or motor home, shall be set in the list of the town such vehicle,
134 in the normal course of its operation for camping, travel or recreational
135 purposes in this state, most frequently leaves from and returns to or
136 the town in which it remains. If such a vehicle is not used in this state
137 in its normal course of operation for camping, travel or recreational
138 purposes, such vehicle shall be set in the list of the town in this state in
139 which the owner of such vehicle resides; and (D) any registered motor
140 vehicle that is used or intended for use for the purposes of
141 construction, building, grading, paving or similar projects, or to
142 facilitate any such project, shall be set in the list of the town in which
143 such project is situated if such vehicle is located in said town for the
144 three or more months preceding the assessment day in any year,

145 provided (i) if such vehicle is located in more than one town in this
146 state for three or more months preceding the assessment day in any
147 year, such vehicle shall be set in the list of the town where it is located
148 for the three months or more in such year nearest to such assessment
149 day, and (ii) if such vehicle is not located in any town for three or more
150 of the months preceding the assessment day in any year, such vehicle
151 shall be set in the list of the town where such vehicle is located on such
152 assessment day.

153 (5) The owner of a motor vehicle subject to taxation in accordance
154 with the provisions of subdivision (4) of this subsection in a town other
155 than the town in which such owner resides may register such vehicle
156 in the town in which such vehicle is subject to taxation.

157 (6) Information concerning any vehicle subject to taxation in a town
158 other than the town in which it is registered may be included on any
159 declaration or report filed pursuant to section 12-41, as amended by
160 this act, 12-43 or 12-57a. If a motor vehicle or snowmobile is registered
161 in a town in which it is not subject to taxation, pursuant to the
162 provisions of subdivision (4) of this section, the assessor of the town in
163 which such vehicle is subject to taxation shall notify the assessor of the
164 town in which such vehicle is registered of the name and address of
165 the owner of such motor vehicle or snowmobile, the vehicle
166 identification number and the town in which such vehicle is subject to
167 taxation. The assessor of the town in which said vehicle is registered
168 and the assessor of the town in which said vehicle is subject to taxation
169 shall cooperate in administering the provisions of this section
170 concerning the listing of such vehicle for property tax purposes.

171 Sec. 3. Section 14-163 of the general statutes is repealed and the
172 following is substituted in lieu thereof (*Effective July 1, 2004*):

173 [The commissioner, on or before the first day of December,
174 annually, shall furnish to the tax assessors in each town a list
175 containing the names and addresses of the owners of motor vehicles
176 and snowmobiles residing in their respective towns, as they appear by

177 the records of the Department of Motor Vehicles, with a description of
178 such vehicles. The commissioner shall, on or before December 1, 2000,
179 and December first, annually thereafter, furnish to the Commissioner
180 of Revenue Services a list containing the names, addresses and federal
181 Social Security account numbers or federal employer identification
182 numbers, or both, if available, of the owners of motor vehicles as they
183 appear by the records of the Department of Motor Vehicles, and the
184 vehicle identification numbers of such vehicles, in order to establish
185 the identification of persons affected by the tax laws of the state.]

186 (a) The commissioner shall compile information concerning motor
187 vehicles and snowmobiles subject to property taxation pursuant to
188 section 12-71, as amended by this act, using the records of the
189 Department of Motor Vehicles and information reported by owners of
190 motor vehicles and snowmobiles. In addition to any other information
191 the owner of a motor vehicle or snowmobile is required to file with the
192 commissioner by law, such owner shall provide the commissioner with
193 the name of the town in which such owner's motor vehicle or
194 snowmobile is to be set in the list for property tax purposes, pursuant
195 to section 12-71, as amended by this act. On or before December 1,
196 2004, and annually thereafter, the commissioner shall furnish to each
197 assessor in this state a list identifying motor vehicles and snowmobiles
198 that are subject to property taxation in each such assessor's town. Said
199 list shall include the names and addresses of the owners of such motor
200 vehicles and snowmobiles, together with the vehicle identification
201 numbers for all such vehicles for which such numbers are available.

202 (b) On or before October 1, 2004, and annually thereafter, the
203 commissioner shall furnish to each assessor in this state a list
204 identifying motor vehicles and snowmobiles in each such assessor's
205 town that were registered subsequent to the first day of October of the
206 assessment year immediately preceding, but prior to the first day of
207 August in such assessment year, and that are subject to property
208 taxation on a supplemental list pursuant to section 12-71b. In addition
209 to the information for each such vehicle and snowmobile specified

210 under subsection (a) of this section that is available to the
211 commissioner, the list provided under this subsection shall include a
212 code related to the date of registration of each such vehicle or
213 snowmobile.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>July 1, 2004</i>

Statement of Purpose:

To clarify provisions relating to the situs of motor vehicles and snowmobiles for purposes of the property tax.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]